

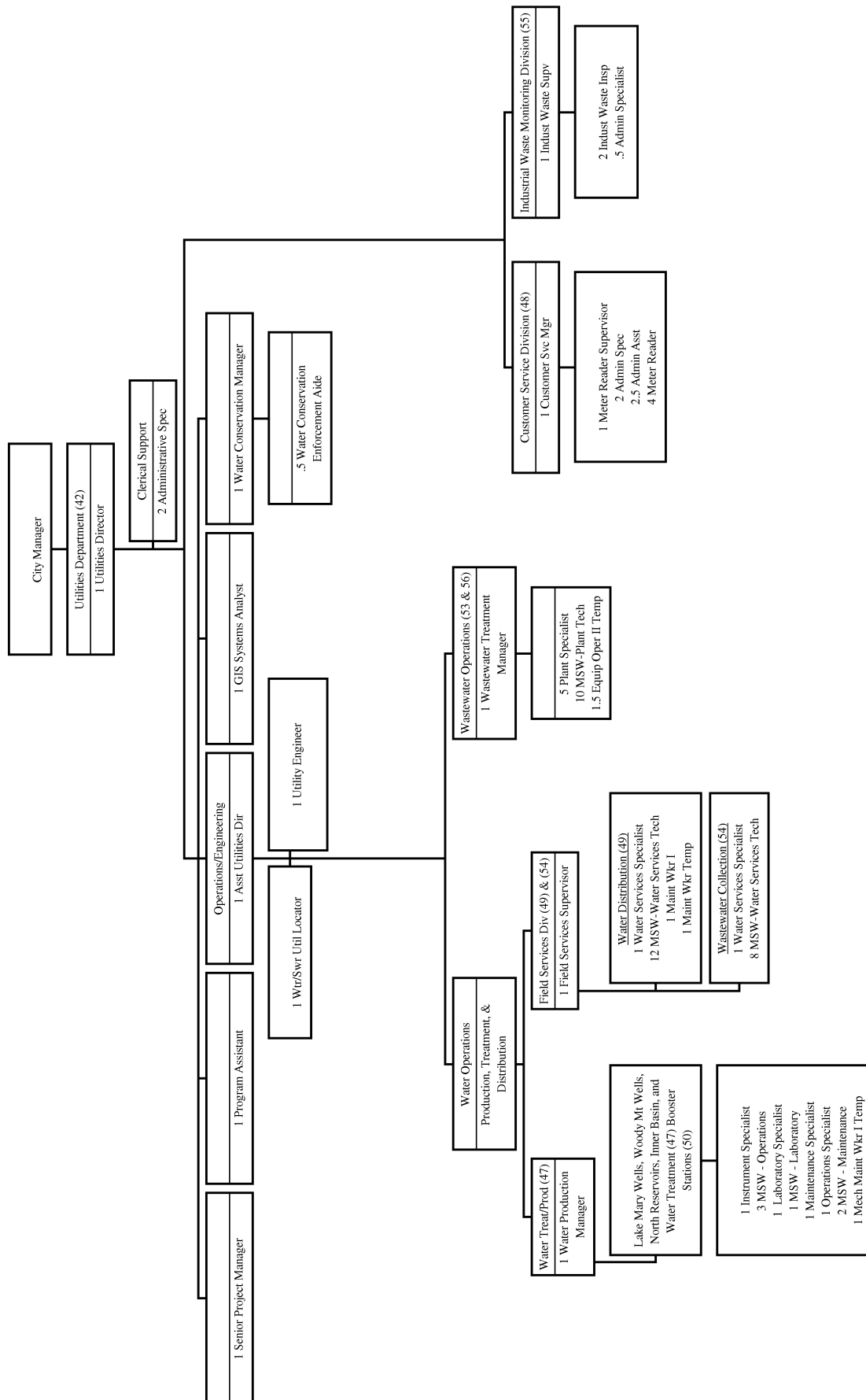
## ***UTILITIES DEPARTMENT MISSION***

The mission of the **Utilities Department** is to professionally and cost effectively provide water and wastewater services that meet the present and future environmental, health, and safety needs of the community and our co-workers.

We are committed to a goal of 100% customer satisfaction. This will be achieved by a dedication to exceed customer expectations by continuously improving our operations.

We value our co-workers and strive to maintain high motivation by providing an environment that encourages improvement and teamwork.

### Annual Financial Plan



**MISSION**

The mission of the Utilities Department is to professionally and cost effectively provide water and wastewater services that meet the present and future environmental, health, and safety needs of the community and our co-workers. We are committed to a goal of 100% customer satisfaction. This will be achieved by a dedication to exceed customer expectations by continuously improving our operations. We value our co-workers and strive to maintain high motivation by providing an environment that encourages improvement and teamwork.

**PROGRAM DESCRIPTION**

Coordinates activities of the Utilities Department. Administers the department safety program, water conservation program, Water Commission activities, City Change Order Committee, and acts as Forest Service liaison. Provides representation for the City of Flagstaff to various planning groups such as the Technical Advisory Group for the Coconino Plateau Water Advisory Council and the Technical Advisory Committee for the National Park service/U.S. Forest Service Lake Mary Watershed planning group. Reviews proposed water legislation and provides input to Council and legislators. Represents the City of Flagstaff on the Northern Arizona Water Users Association. Assesses Utilities capital improvements needs, prioritizes needs, and provides project management engineering services for capital improvement projects. Administers water and sewer computer modeling activities for the City and new developments. Provides Blue Stake locating services. Investigates customer, staff, and City Council inquiries and follows up on complaints. Provides permit administration for NPDES, APP, Reuse, and other

permits as required. Reviews new developments and represents the Department on a multitude of various committees. Provides all clerical services for the Department and Utilities GIS services for the City.

**FY 06 ACCOMPLISHMENTS**

- ✓ Purchased Red Gap Ranch to be available as a future source of water supply to the City of Flagstaff.
- ✓ Updated Utilities Capital Improvement Program
- ✓ Hired a Program Administrator for NAMWUA.
- ✓ Received Water Conservation Award from the Bureau of Reclamation
- ✓ Revised Recapture Ordinance and presented to various stakeholders and City Council
- ✓ Developed a Water Acquisition Impact Fee and presented to City Council
- ✓ Updated Capacity Fees and presented to City Council
- ✓ Filled division head vacancies in Industrial Waste, Customer Service, and Wastewater Treatment.
- ✓ Completed construction of City's obligation for reclaimed water system to serve Flagstaff Mall
- ✓ Brought together the Navajo and Hopi as a consortium with Flagstaff to discuss groundwater issues

**FY 07 NEW INITIATIVES**

- Establish management for Red Gap Ranch
- Continue groundwater development program
- Resolve cost problems with the Wildcat Wastewater Improvement Project and begin construction.

**PERFORMANCE MEASURES****Council Priority/Goal: PLANNING FOR GROWTH**

**Goal:** Provide uninterrupted water and sewer service to the citizens of Flagstaff

**Objective:** Insure water and sewer infrastructure is adequate for new development

**Measures:**

	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Water and sewer impact analyses performed	19	16	16	16
Capital projects managed	14	18	18	18
Number of system-wide water curtailments	0	0	0	0
Per capita water use	121	117	117	117

**Council Priority/Goal: FISCAL HEALTH****Goal:** Provide a rate structure to meet the financial needs of the utility**Objective:** Update rates on a regular basis

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Review rates with internal rate model	Yes	Yes	Yes	Yes
Update rate model to accomodate system changes	No	No	Yes	No
Update user fees, impact fees	Yes	Yes	Yes	Yes

**Council Priority/Goal: CUSTOMER SERVICE****Goal:** Exceed customer's water and wastewater service expectations**Objective:** Reduce water outage hours (repairs) and number of public sewer blockages

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Water outage hours	1,724	1705	1,700	1,650
Public sewer blockages	41	32	28	24

**Council Priority/Goal: PUBLIC SAFETY****Goal:** Provide safe drinking water and wastewater**Objective:** No permit violations

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number drinking water violations	5	6	0	0
Number wastewater permit violations	1	1	0	0

**UTILITIES**
**DIVISION 42**
**ADMINISTRATION**

<b>EXPENDITURES BY CATEGORY:</b>					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 709,101	\$ 771,162	\$ 789,397	\$ 845,190	\$ 74,028
CONTRACTUAL	217,413	499,194	464,646	267,576	(231,618)
COMMODITIES	46,263	56,017	62,605	50,755	(5,262)
CAPITAL	21,691	10,780	-	10,780	-
<b>TOTAL</b>	<b>\$ 994,468</b>	<b>\$ 1,337,153</b>	<b>\$ 1,316,648</b>	<b>\$ 1,174,301</b>	<b>\$ (162,852)</b>
<b>EXPENDITURES BY PROGRAM:</b>					
GENERAL ADMINISTRATION	\$ 538,828	\$ 749,537	\$ 736,500	\$ 595,245	\$ (154,292)
WATER COMMISSION	600	3,055	2,795	2,795	(260)
CITY WTR SYSTEM ANALYSIS	10,736	5,816	8,487	7,585	1,769
FIXED ASSET INVENTORY	-	14,816	14,816	16,186	1,370
CITY SWR SYSTEM ANALYSIS	4,349	13,187	12,705	9,690	(3,497)
ENGINEERING	316,528	302,185	363,781	294,446	(7,739)
BLUE STAKE	14,700	(1,789)	(2,209)	(4,875)	(3,086)
WATER CONSERVATION	102,931	163,407	167,960	153,054	(10,353)
GIS-UTILITIES	-	76,159	11,813	89,395	13,236
WILDLIFE VIEWING AREA	5,796	10,780	-	10,780	-
<b>TOTAL</b>	<b>\$ 994,468</b>	<b>\$ 1,337,153</b>	<b>\$ 1,316,648</b>	<b>\$ 1,174,301</b>	<b>\$ (162,852)</b>
<b>SOURCE OF FUNDING:</b>					
WATER AND WASTEWATER FUND				\$ 1,174,301	
				<b>\$ 1,174,301</b>	
<b>COMMENTARY:</b>					
<p>The Utilities Administration operating budget has decreased 12% and capital expenditures total \$10,780, resulting in an overall decrease of 12%. Personal Services increases are due to a 9% pay plan adjustment, and increases in ASRS, health insurance, and dental insurance. Contractual decreases are primarily due to prior year consulting and legal fees. The small decrease in Commodities is due to prior year one-time items. One-time items in this division are \$4,650 for Sewer Gen software upgrade, \$10,000 for Wildlife Viewing Area, and \$8,775 for VB Programming training.</p>					

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### PROGRAM DESCRIPTION

The Lake Mary Water Treatment Plant provides conventional surface water treatment for waters from Upper Lake Mary. Staff is responsible for the operation of the Water Plant and all other water production facilities including: Lake Mary Wellfield, Woody Mountain Wellfield, the Inner Basin wells and springs, local wells, and the Reservoir Filtration Plant. Staff also operates and maintains system water tanks and booster stations (Division 50). The State certified Compliance Lab provides analysis for process control and water sampling for compliance.

This Division cost effectively produces water that meets all Safe Drinking Water Act requirements. It manages the quantity of stored water to provide flows to customers, with an adequate reserve for fire fighting. It teaches public awareness of the water system through educational programs and demonstrations.

### FY 06 ACCOMPLISHMENTS

- ✓ Cost savings and groundwater recharge accomplished by maximizing Surface water due to Lake Mary being full.
- ✓ APSES implements cost saving strategies by retrofitting motors and lights throughout the Production System.
- ✓ Reservoirs on Shultz Pass Rd. are rehabed to comply with State requirements.
- ✓ Performed major overhaul of flocculation section of treatment basin #2.
- ✓ Rehabbed motor control center at WM #5 and LM #2.
- ✓ Installed new aeration line in Upper Lake Mary for Lake mixing and manganese control.
- ✓ Purchased electric car for plant site trips, highly successful.

### FY 07 NEW INITIATIVES

- Implement Skill Based Pay (multi skilled workers) for Production staff.
- Have all groundwater sources functional and anticipate using them predominately due to poor winter.
- Update and upgrade SCADA system for State compliance and long term reliability.
- Rio Well operational with added function in the building of dispensing reclaim water.

### PERFORMANCE MEASURES

#### Council Priority/Goal: **PUBLIC SAFETY**

**Goal:** Insure all instrumentation and reporting devices are working properly

**Objective:** Reduce the amount of monitoring violations

#### Measures:

	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of tests performant	1256	1590	1500	1550
Number of Safe Drinking Water Violations (monitoring)	5	3	3	0

**UTILITIES****DIVISION 47****LAKE MARY WATER  
TREATMENT PLANT****Council Priority/Goal: CAPITAL IMPROVEMENT****Goal:** Replace aged infrastructure that becomes inoperative and lessens supply.**Objective:** Install Inner Basin pipe

<b>Measures:</b>	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Feet of pipe installed	4110	3160	2640	2640

**Council Priority/Goal: PLANNING FOR GROWTH****Goal:** Expand current supply network for increased capacity**Objective:** New wells, booster stations, rehabilitated wells, increased efficiency

<b>Measures:</b>	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Expanded capacity	1	0	1	2
New and reconditioned wells	1	1	1	1
Booster stations and tanks	1	0	1	1

**Council Priority/Goal: QUALITY OF LIFE****Goal:** Water as a good value: Cost conscious, environmentally aware.**Objective:**

<b>Measures:</b>	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Gallons produced	2688	2658	2700	3000
Cost per 1000 gallons to produce	1.04	.94	1.15	1.2

**UTILITIES**
**DIVISION 47**
**LAKE MARY WATER  
TREATMENT PLANT**

<b>EXPENDITURES BY CATEGORY:</b>					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 593,330	\$ 715,493	\$ 684,661	\$ 700,701	\$ (14,792)
CONTRACTUAL	1,373,710	2,144,320	1,891,235	2,267,820	123,500
COMMODITIES	323,000	283,313	337,300	312,964	29,651
CAPITAL	185,458	887,025	372,619	772,405	(114,620)
<b>TOTAL</b>	<b>\$ 2,475,498</b>	<b>\$ 4,030,151</b>	<b>\$ 3,285,815</b>	<b>\$ 4,053,890</b>	<b>\$ 23,739</b>
<b>EXPENDITURES BY PROGRAM:</b>					
GENERAL ADMINISTRATION	\$ 380,660	\$ 414,569	\$ 425,181	\$ 430,532	\$ 15,963
WATER TREATMENT OPERATION	242,299	267,924	328,124	286,744	18,820
CHEMICAL ANALYSIS	182,975	229,855	230,790	253,714	23,859
BLDGS & GROUNDS MAINT	64,469	272,190	85,164	257,459	(14,731)
EQUIPMENT MAINTENANCE	195,470	212,325	275,178	156,068	(56,257)
USFS LAKE MARY CONTRACT	8,860	8,860	8,860	8,860	-
UPPER LAKE MARY DAM IMP	3,156	21,000	20,983	21,000	-
SEDMNTION BASIN MODS (90)	-	15,000	15,000	15,000	-
SCADA TRACKING	28,855	25,350	20,458	35,350	10,000
FOXGLEN WELL	130	-	-	-	-
CONTINENTAL WELL	54	-	-	-	-
LOCAL WELLS	390,703	543,416	514,302	556,416	13,000
LAKE MARY WELLFIELDS	264,798	614,244	530,495	449,493	(164,751)
WOODY MOUNTAIN WELLFIELD	616,099	834,597	644,500	881,563	46,966
NORTH RESERVOIRS	28,372	73,265	60,385	63,467	(9,798)
INNER BASIN DEVELOPMENT	54,042	135,524	100,195	210,809	75,285
INNER BASIN PIPELINE	14,556	362,032	26,200	427,415	65,383
<b>TOTAL</b>	<b>\$ 2,475,498</b>	<b>\$ 4,030,151</b>	<b>\$ 3,285,815</b>	<b>\$ 4,053,890</b>	<b>\$ 23,739</b>
<b>SOURCE OF FUNDING:</b>					
WATER AND WASTEWATER FUND				\$ 4,053,890	
				<b>\$ 4,053,890</b>	
<b>COMMENTARY:</b>					
<p>The Lake Mary Water Treatment Plant operating budget has increased 4% and capital expenditures total \$772,405 resulting in an overall increase of 1%. Personal Services has decreased due to a retirement payout and new staff replacement. This decrease was partially offset by a 9% pay plan adjustment and increases in ASRS, health insurance, and dental insurance. Contractuals increase is due to utilities, gas &amp; oil, and consultants. Commodities increases are due to chemicals, various pieces of equipment, and materials for road repairs. One-time expenditures for this division are consultants (\$15,000) to solve re-occurring trending problems. Major capital (&gt;\$10,000) includes \$60,000 boom truck, \$20,000 Lake Mary Wellfields, \$32,000 Composting Toilets, \$20,000 Upper Lake Mary Dam Rehab, \$401,000 Inner Basin Pipeline, \$193,125 Water Plant Remodel &amp; \$17,780 for Reservoir Filtration Plant Roof.</p>					



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**PROGRAM DESCRIPTION**

Customer Service is responsible for meter reading, water and sewer billing, and collection of delinquent accounts including the disconnection and lock off of water service for unpaid billings and non-sufficient fund checks for the Utilities Department. Unusually high or

low water consumption is investigated and inactive meters are monitored for possible consumption. This division is also responsible for cashiering operations for most City departments and for the calculation and collection of utility system fees for all new or added construction.

**FY 06 ACCOMPLISHMENTS**

- ✓ Expanded the acceptance of credit card payment to other City services.
- ✓ Installed bill scanners at all Cashier windows.
- ✓ Only one injury accident during calendar year 2005.

**FY 07 NEW INITIATIVES**

- Purchase new data collector to improve the electronic reading of meters and identify the meters that may be faulty and not providing a signal.
- Set up Inter-department billing to charge other City accounts directly from the Utility system, thus discontinuing the need for Accounts Payable to process a check.

**PERFORMANCE MEASURES****Council Priority/Goal: FISCAL HEALTH**

**Goal:** Limit the amount of accounts written off.

**Objective:** Timely collections of past due accounts and adequate deposits to reduce amount of receivables to write off.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Collection activity (delinquent accounts/total accounts)	3.2 %	2.9%	4.0 %	4.0 %
Annual write off of customer accounts, excluding bankruptcies	\$43,150	\$36,853	\$35,000	\$35,000
Write offs as a percentage of total billed	0.21%	0.17%	0.20%	0.20%

**Council Priority/Goal: ORGANIZATIONAL SUPPORT**

**Goal:** Provided employees with proper training for safety and technical aspect of their positions.

**Objective:** We will improve our employees' safety records and knowledge by providing the necessary training.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Safety training hours provided to staff	38	23	75	75
Technical/Computer training provided to staff	196	61	200	200
Number of injury accidents	3	1	0	0

**UTILITIES**
**DIVISION 48**
**CUSTOMER SERVICE**
**Council Priority/Goal: CUSTOMER SERVICE**
**Goal:** Provide timely and accurate billings.

**Objective:** Reduce estimated meter reads and bill in a timely manner.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Percent of estimated meter reads	2.93%	8.11%	2.90%	2.00%
Number of cycle bills sent out within 34 days of prior bill. (36 total cycles)	n/a	35	36	36
Average number of days between bills	n/a	30.44	31.00	31.00

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 463,848	\$ 508,437	\$ 507,335	\$ 524,039	\$ 15,602
CONTRACTUAL	121,582	171,690	157,675	202,590	30,900
COMMODITIES	27,574	99,695	83,274	72,500	(27,195)
CAPITAL	-	6,000	-	37,500	31,500
<b>TOTAL</b>	<b>\$ 613,004</b>	<b>\$ 785,822</b>	<b>\$ 748,284</b>	<b>\$ 836,629</b>	<b>\$ 50,807</b>
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 123,959	\$ 212,947	\$ 231,945	\$ 201,178	\$ (11,769)
FIELD READING	149,508	202,934	172,110	244,439	41,505
COLLECTION	67,466	76,762	81,916	81,480	4,718
CUSTOMER SERVICE	272,071	293,179	262,313	309,532	16,353
<b>TOTAL</b>	<b>\$ 613,004</b>	<b>\$ 785,822</b>	<b>\$ 748,284</b>	<b>\$ 836,629</b>	<b>\$ 50,807</b>
SOURCE OF FUNDING:					
GENERAL FUND				\$ 14,932	
LIBRARY FUND				1,195	
HIGHWAY USER REVENUE FUND				3,503	
WATER AND WASTEWATER FUND				656,124	
STORMWATER FUND				9,812	
AIRPORT FUND				725	
ENVIRONMENTAL SERVICES FUND				150,338	
				<b>\$ 836,629</b>	
COMMENTARY:					
The Customer Service operating budget has increased 2% and capital expenditures total \$37,500 resulting in an overall net increase of 6%. Personal Services increases are due to a 9% pay plan adjustment and increases in ASRS, health insurance, and dental insurance. Contractuals increases are due to credit card fees. Commodities decreases are due to prior year 1 time expenditure for software. One-time items are \$4,500 for Security system for cashier area and \$2,500 for design work for the in house bill printing. The capital of \$37,500 is for a data collector.					

**MISSION**

The mission of the Utilities Department/ Water Distribution Division is to professionally and cost effectively provide water services that meet the present and future environmental, health and safety needs of the community and our co-workers.

**PROGRAM DESCRIPTION**

The Water Distribution system operators safely and efficiently operate, maintain and repair all water distribution lines, fire hydrants, pressure reducing stations and meters, supplying each customer with a sufficient volume of water at adequate pressures, throughout our varying elevations and pressure zones.

**FY 06 ACCOMPLISHMENTS**

- Worked with public and private engineers, contractors and customers, coordinating a wide variety of public and private development projects including: The Butler Ave waterline, Empire Ave Extension, Sunnyside Phase III A, Amberwood Booster Station and the 4<sup>th</sup> St. Railroad Crossing Phase II.

- Achieved our goal of installing 2000 radio read meters throughout our community. Enhancing customer service by providing a safe, estimate free billing process, while increasing our overall efficiency and lowering operating costs.
- Continued to update our water and sewer atlas, our CMMS (Computer Maintenance management System) and the GIS system, giving our city staff the most up to date information when planning, designing and dealing with scheduled and emergency repair projects.

**FY 07 NEW INITIATIVES**

- Continued improvement of our skill base pay system, developing and adding new skill blocks and the associated training criteria to develop a more efficient and multi-skilled workforce.
- A mainline flushing program that isolates and flushes over 404.4 miles of transmission and distribution mains, to improve water quality and our systems efficiency.
- A fire hydrant maintenance program that paints, inspects, maintains and repairs over 4,217 fire hydrants at least once per year.

**PERFORMANCE MEASURES****Council Priority/Goal: CUSTOMER SERVICE**

**Goal:** Exceed customer service expectations.

**Objective:** To make sure all of our customers needs, questions and concerns have been addressed in a timely manner.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of complaints and responses.	201	217	220	220

**Council Priority/Goal: FISCAL HEALTH**

**Goal:** Reduce accidents and maintain high safety standards.

**Objective:** To communicate the importance of safety and loss control through our safety programs.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of loss time accidents.	0	0	0	0

**Council Priority/Goal: PLANNING AND GROWTH**

**Goal:** Set new water meters in a timely manner for contractors, developers and homeowners, keeping up with the rapid growth of our community.

**Objective:** Meters are paid for and our crews have them installed within 10 working days.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of new meter installations	546	337	500	600

**UTILITIES****DIVISION 49****WATER DISTRIBUTION****Council Priority/Goal: ORGANIZATIONAL SUPPORT****Goal:** Continue to develop a multi-skilled work force through skill base pay.**Objective:** To develop a multi-skilled work force by developing and updating training criteria and crew rotation training schedules. To strengthen teamwork within the division.

<b>Measures:</b>	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Number of employees that have completed skill blocks and received additional pay for the new skill they have learned and demonstrated an proficiency in.	7	5	6	7

<b>EXPENDITURES BY CATEGORY:</b>					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 766,141	\$ 808,258	\$ 863,573	\$ 988,571	\$ 180,313
CONTRACTUAL	66,027	54,196	53,685	58,656	4,460
COMMODITIES	186,533	236,232	218,787	248,161	11,929
CAPITAL	216	112,150	70,140	192,010	79,860
<b>TOTAL</b>	<b>\$ 1,018,917</b>	<b>\$ 1,210,836</b>	<b>\$ 1,206,185</b>	<b>\$ 1,487,398</b>	<b>\$ 276,562</b>
<b>EXPENDITURES BY PROGRAM:</b>					
GENERAL ADMINISTRATION	\$ 149,445	\$ 134,601	\$ 137,559	\$ 117,807	\$ (16,794)
WATER SYS MAINT-OPERATION	153,526	187,675	188,488	299,389	111,714
MAIN & SERVICE LINE REPAIR	226,730	287,012	283,632	292,147	5,135
MAIN EXT-FIRE HYDR/VALVE	67,708	115,847	97,476	143,012	27,165
VALVE & FIRE HYDR MAINT	107,217	132,355	139,279	193,528	61,173
METER INSTALLATION	195,151	227,551	231,363	286,014	58,463
METER REPAIR & TESTING	119,140	125,795	128,388	155,501	29,706
<b>TOTAL</b>	<b>\$ 1,018,917</b>	<b>\$ 1,210,836</b>	<b>\$ 1,206,185</b>	<b>\$ 1,487,398</b>	<b>\$ 276,562</b>
<b>SOURCE OF FUNDING:</b>					
WATER AND WASTEWATER FUND				\$ 1,487,398	
				<b>\$ 1,487,398</b>	

**COMMENTARY:**

The Water Distribution operating budget has increased 18% and capital expenditures total \$192,010 resulting in an overall net increase of 23%. Personal Services increases are due to 2.0 FTE staffing additions that include 2 new Water Services Technicians. In addition, there is a 9% pay plan adjustment and increases in ASRS, health insurance, and dental insurance. The increase in Contractuals is due to utilities, education/training, and equipment rentals. Commodities increase is due to small tools, gas and oil, materials and supplies for street and highway, and other equipment under \$5,000. Major capital (>\$10,000) of \$192,010 is for two replacement 4x4 utility bed service trucks with hydraulic crane and hydraulic pump circuit along with two 1 1/2 ton trucks for the new FTE's.

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**PROGRAM DESCRIPTION**

Provides for the operation and maintenance of Booster Stations and Storage Tanks .  
Booster Stations increase water pressure for domestic and fire service outside of the normal pressure zones of the distribution system (higher elevations.)

Storage tanks provide pressure and flow during periods of time when pumps are not running or there is no power.

**FY 06 ACCOMPLISHMENTS**

- ✓ University Highlands tank is painted.
- ✓ Chesire tank interior is inspected and cleaned.

**FY 07 NEW INITIATIVES**

- Perform analysis on Zone A+ to qualify and quantify adequacy of supply. May need additional circuit breaker to run pumps in tandem and additional storage due to build-out in zone.

**PERFORMANCE MEASURES**

**Council Priority/Goal:** QUALITY OF LIFE

**Goal:** Keep facilities operational and esthetically pleasing

**Objective:** Paint and clean interiors

**Measures:**

	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Tanks painted	0	1	1	1
Tanks cleaned (diving contract)	2	2	2	1

**UTILITIES**
**DIVISION 50**
**BOOSTER STATIONS**

<b>EXPENDITURES BY CATEGORY:</b>					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 32,411	\$ 35,581	\$ 35,581	\$ 28,791	\$ (6,790)
CONTRACTUAL	39,626	37,150	36,200	58,636	21,486
COMMODITIES	1,229	3,625	3,351	3,425	(200)
CAPITAL	7,796	-	-	-	-
<b>TOTAL</b>	<b>\$ 81,062</b>	<b>\$ 76,356</b>	<b>\$ 75,132</b>	<b>\$ 90,852</b>	<b>\$ 14,496</b>
<b>EXPENDITURES BY PROGRAM:</b>					
GENERAL ADMINISTRATION	\$ 38,090	\$ 42,781	\$ 42,781	\$ 40,377	\$ (2,404)
ZONE A	-	350	350	14,350	14,000
KINLANI	1,121	3,525	2,550	2,775	(750)
UNIVERSITY HIGHLANDS #1	8,457	1,800	1,600	1,800	-
AIRPORT BOOSTER	3,064	2,700	3,701	2,700	-
AMBERWOOD BOOSTER	10,619	3,550	3,700	4,450	900
RAILROAD SPRINGS BOOSTER	19,711	20,450	20,450	24,400	3,950
KINLANI II	-	1,200	-	-	(1,200)
<b>TOTAL</b>	<b>\$ 81,062</b>	<b>\$ 76,356</b>	<b>\$ 75,132</b>	<b>\$ 90,852</b>	<b>\$ 14,496</b>
<b>SOURCE OF FUNDING:</b>					
WATER AND WASTEWATER FUND				\$ 90,852	
				<b>\$ 90,852</b>	
<b>COMMENTARY:</b>					
The Booster Station operating budget has increased 19% and there are no capital expenditures. The decrease in Personal Services is based on amount of charges from other divisions. Contractuals increase is due to Maintenance-Building/Structures and Utilities. One-time expenditures are \$4,386 for main reservoir diving services and \$14,000 to paint the Cheshire tank.					

**MISSION**

Provide wastewater treatment and reclaim water that meets or exceeds all federal and state permit requirements, Minimize treatment cost per unit of treated wastewater, Maintain State Certified Laboratory Standards, Encourage use of reclaim water by Fairfield golf courses and contractors, Submit all required state and federal monitoring reports accurately and on time.

**PROGRAM DESCRIPTION**

The Wildcat Hill Wastewater Plant is a 6 million gallon-per-day advanced treatment facility. This program is responsible for the day-to-day operation and maintenance, as well as the pumping of treated wastewater to the Fairfield golf courses and contractors. The plant operates a State-certified laboratory, which performs the majority of the required routine lab analysis.

**✓ FY 06 ACCOMPLISHMENTS**

- ✓ Reintroduction of the Tickling Filters Solid Contact mode has reduced the Total Suspended Solids and Bio Chemical Oxygen Demand before the sand filters and early indications show a reduction of Nitrogen.

- ✓ Started sending treated grease to digesters, has reduced loading to the system.
- ✓ No major Primary sludge settling problems, resulting in reduced overtime and chemical consumption.
- ✓ Plant personal have been more productive in housekeeping, resulting in safety award for plant staff.
- ✓ Great sludge injection year, staff doubled the lbs. of solids injected from the previous year, due to better operation of ponds, and better operation of the sludge injection as a whole.
- ✓ Reduced the cost to treat by (24) cents per thousand gallons of influent from previous year.

**FY 07 NEW INITIATIVES**

- Continue to encourage the use of reclaimed water. Promote a culture of pride in ownership of our facility.
- Exceed the expectations of our customers, by educating and being involved in public activities.

**PERFORMANCE MEASURES****Council Priority/Goal: CUSTOMER SERVICE**

**Goal:** Exceed the expectations of our customers.

**Objective:** Continue to provide services that meet or exceed all Federal, State and City requirements.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Gallons of influent treated (billions).	1.35	1.56	1.60	1.65
Gallons of septage treated (millions).	1.28	1.37	1.40	1.45
Gallons of reclaim water sold (millions).	447,347	102.7	450.0	455.0
Gallons of grease treated (thousands).	269,940	354,400	350,000	360,000
Gallons of interceptor sludge (thousands).	49,550	60,500	60,000	65,000
Dry metric tons of solids/sludge injected.	559.74	1,014.14	1,020	1,025

**UTILITIES****DIVISION 53****WILDCAT WASTEWATER  
TREATMENT PLANT****Council Priority/Goal: FISCAL HEALTH**

**Goal:** Maintain financial responsibility that meets or exceeds the City of Flagstaff expectations.

**Objective:** Maintain cost per thousand to treat.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Cost per thousand to treat (influent).	\$ 1.20 avg.	\$ 0.96 avg.	\$ 1.05 avg.	\$ 1.10 avg.

**Council Priority/Goal: PUBLIC SAFETY**

**Goal:** Develop and maintain public security.

**Objective:** Continue to provide the best quality effluent by meeting or exceeding all requirements.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of NPDES permit violations (within plant design)	0	1	0	0
Number of NPDES permit violations(beyond plant capabilities)	1	2	0	0

**Council Priority/Goal: PLANNING FOR GROWTH**

**Goal:** Promote the use of reclaim water.

**Objective:** Increase the number of customers using reclaim water.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of new reuse permits administered.	45	14	20	20

**Council Priority/Goal: QUALITY OF LIFE**

**Goal:** Provide a good quality of life for our customers, neighbors, and employees.

**Objective:** Reduce the number of complaints and injuries.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of complaints /odors ect.	0	1	0	0
Number of on the job lost time due to accidents / injuries.	0	0	0	0



**UTILITIES**
**DIVISION 53**
**WILDCAT WASTEWATER  
TREATMENT PLANT**

<b>EXPENDITURES BY CATEGORY:</b>					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 643,119	\$ 840,878	\$ 650,766	\$ 838,305	\$ (2,573)
CONTRACTUAL	505,189	525,244	589,813	540,208	14,964
COMMODITIES	295,556	300,859	256,996	333,552	32,693
CAPITAL	26,716	7,900	-	-	(7,900)
<b>TOTAL</b>	<b>\$ 1,470,580</b>	<b>\$ 1,674,881</b>	<b>\$ 1,497,575</b>	<b>\$ 1,712,065</b>	<b>\$ 37,184</b>
<b>EXPENDITURES BY PROGRAM:</b>					
GENERAL ADMINISTRATION	\$ 110,531	\$ 260,357	\$ 133,538	\$ 211,543	\$ (48,814)
WC-PLANT OPERATIONS	535,685	516,922	522,105	655,137	138,215
WC-PLANT MAINTENANCE	633,628	641,241	646,329	585,745	(55,496)
WC-LAB-PROC CNTRL-MONITOR	101,639	145,702	105,681	183,902	38,200
WC-SEPTAGE	20,262	27,579	12,150	850	(26,729)
WC-WH RIO MAINTENANCE	5,555	6,112	4,683	4,342	(1,770)
WC-DRYING BEDS OPERATIONS	-	1,750	2,764	2,300	550
WC-SLUDGE INJECTION	61,952	75,218	70,325	68,246	(6,972)
DISASTER RECOVERY	1,328	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,470,580</b>	<b>\$ 1,674,881</b>	<b>\$ 1,497,575</b>	<b>\$ 1,712,065</b>	<b>\$ 37,184</b>
<b>SOURCE OF FUNDING:</b>					
WATER AND WASTEWATER FUND				\$ 1,712,065	
				<b>\$ 1,712,065</b>	
<b>COMMENTARY:</b>					
The Wastewater Treatment Plant operating budget increased by 3% and there are no capital expenditures resulting in an overall increase of 2%. Personal Services decrease is due to employee turnover and rehire pay level. Contractuals increase is due to utilities. Commodities increase is due to chemicals, safety supplies and machinery & equipment parts. One-time items in the division is a \$15,000 replacement of existing fibergall grating around the chlorine contact basins.					

**MISSION**

The mission of the Utilities Department/ Wastewater Collection Division is to professionally and cost effectively provide water services that meet the present and future environmental, health and safety needs of the community and our co-workers.

**PROGRAM DESCRIPTION**

The Wastewater Collection system operators safely and efficiently operate, maintain and repair all wastewater collection and reclaim distribution mains and manholes. Eliminating or reducing health hazards, system failures, customer complaints and property damage throughout our community.

**FY 06 ACCOMPLISHMENTS**

- ✓ Worked with public and private engineers, contractors and customers, coordinating a wide variety of public and private development projects including: The Butler Ave waterline, Empire Ave Extension, Sunnyside Phase III A and the 4th St. Railroad Crossing Phase II.

- ✓ Using the most efficient work practices to date our preventative maintenance program has reduced the number of sewer main line blockages by 25%.
- ✓ Continued to update our water and sewer atlas, our CMMS (Computer Maintenance management System) and the GIS system, giving our city staff the most up to date information when planning, designing and dealing with scheduled and emergency repair projects.

**FY 07 NEW INITIATIVES**

- Continued improvement of our skill base pay system, developing and adding new skill blocks and the associated training criteria to develop a more efficient and multi-skilled workforce.
- A mainline chemical root control project that will double the number of feet of sewer lines that we currently treat.
- Continue to implement and update our CMMS (Computer Maintenance Management System) Improving the efficiency and effectiveness of our field crews.

**PERFORMANCE MEASURES****Council Priority/Goal: CUSTOMER SERVICE**

**Goal:** Exceed customer service expectations.

**Objective:** Eliminate or reduce health hazards, system failures, customer complaints and property damage.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of main line blockages	45	34	30	30

**Council Priority/Goal: FISCAL HEALTH**

**Goal:** Reduce accidents and maintain high safety standards.

**Objective:** To communicate the importance of safety and loss control through our safety programs.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of loss time accidents.	1	0	0	0

**Council Priority/Goal: PLANNING AND GROWTH**

**Goal:** Encourage the use of reclaim water throughout the community.

**Objective:** To expand our reclaim distribution system by installing distribution mains, services and fire hydrants.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of miles of reclaim waterlines	14.7	15.7	16.5	17.5

**UTILITIES**
**DIVISION 54**
**WASTEWATER COLLECTION**
**Council Priority/Goal: ORGANIZATIONAL SUPPORT**

**Goal:** Continue to develop a multi-skilled work force through skill base pay.

**Objective:** To develop a multi-skilled work force by developing and updating training criteria and crew rotation training schedules. To strengthen teamwork within the division.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of employees that have completed skill blocks and received additional pay for the new skills they have learned and demonstrated an proficiency in.	3	5	7	8

EXPENDITURES BY CATEGORY:					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 452,258	\$ 534,508	\$ 539,966	\$ 618,470	\$ 83,962
CONTRACTUAL	32,926	23,710	37,340	21,504	(2,206)
COMMODITIES	94,589	167,191	163,550	182,340	15,149
CAPITAL	238,926	423,050	-	553,050	130,000
<b>TOTAL</b>	<b>\$ 818,699</b>	<b>\$ 1,148,459</b>	<b>\$ 740,856</b>	<b>\$ 1,375,364</b>	<b>\$ 226,905</b>
EXPENDITURES BY PROGRAM:					
GENERAL ADMINISTRATION	\$ 160,816	\$ 190,296	\$ 175,496	\$ 211,918	\$ 21,622
SERVICE CONNECTIONS	13,231	13,102	15,848	15,494	2,392
PREVENTIVE MAINTENANCE	474,707	546,406	323,157	679,836	133,430
TV INSPECT & HYDRO-CLEAN	93,022	316,512	126,593	377,686	61,174
CORRECTIVE MAINTENANCE	69,394	69,782	86,958	76,715	6,933
RECLAIMED WATER LINE	7,529	12,361	12,804	13,715	1,354
<b>TOTAL</b>	<b>\$ 818,699</b>	<b>\$ 1,148,459</b>	<b>\$ 740,856</b>	<b>\$ 1,375,364</b>	<b>\$ 226,905</b>
SOURCE OF FUNDING:					
WATER AND WASTEWATER FUND				\$ 1,375,364	
				<b>\$ 1,375,364</b>	
COMMENTARY:					
The Wastewater Collection operating budget has increased 13% and capital expenditures total \$553,050 for a net increase of 20%. Personal Services increases are due to a 9% pay plan adjustment and increases in ASRS, health insurance, and dental insurance. Contractuals decrease is due increased charge outs to other departments. Commodities increase is due to materials and supplies for street and highway repairs along with gas and oil increases. Major capital (>\$10,000) includes \$520,000 for 2 hydro-vac vehicles.					

**MISSION**

The mission of the Utilities Department is to professionally and cost effectively provide water and wastewater services that meet the present and future environmental, health, and safety needs of the community and our co-workers. We are committed to a goal of 100% customer satisfaction. This will be achieved by a dedication to exceed customer expectations by continuously improving our operations. We value our co-workers and strive to maintain high motivation by providing an environment that encourages improvement and teamwork.

**PROGRAM DESCRIPTION**

This division provides monitoring, permitting, and reporting of industrial and commercial wastewater discharges into the City sewer system to assure compliance with Local, State and Federal mandated pre-treatment regulations and to prevent upset at the City's wastewater treatment plants. Other activities include administration of the City's cross-connection control program, wastewater monitoring, and seepage control.

**FY 06 ACCOMPLISHMENTS**

- ✓ Worked with Malcolm Pirnie on a Local Limit Study. Results of this study will be available in July 2006.

- ✓ Joy Cone and Nestle Purina were issued new discharge permits in as a result of the expiration of their prior permits.
- ✓ Assisted permitted industries in updating their slug load plans.
- ✓ Surcharge and mass loading fees are now being calculated monthly instead of annually. The industries have expressed their satisfaction with this new process as it enables them to make any necessary process and pretreatment corrections as soon as possible.
- ✓ The City of Flagstaff Industrial Waste Division conducted two sampling training seminars. One was for industry personnel only. The other was at Tri-State for industry and pretreatment purveyors.

**FY 07 NEW INITIATIVES**

- Perform additional sampling as recommended by Malcolm Pirnie on both Wastewater Treatment Plants and Industries for BOD and TSS quarterly.
- Perform additional sampling for Copper on drinking water samples during wastewater sampling events at Industries Wastewater Treatment Plants to build a database for these analytes in preparation for the next Local Limit Study as recommended by Malcolm Pirnie.

**PERFORMANCE MEASURES****Council Priority/Goal: PUBLIC SAFETY**

**Goal:** Protect water supply from possible cross-connections.

**Objective:** Inspect all businesses connected to City of Flagstaff water system for potential cross-connections.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of businesses inspected for potential cross connections.	1,237	1,387	1,400	1,400
Percent of backflow devices that failed.	10%	2 - 6 %	6%	5%
Number of backflow devices tests logged.	1,561	1,874	1,900	1,950

**UTILITIES****DIVISION 55****WASTEWATER MONITORING****Council Priority/Goal: COLLABORATION****Goal:** Inspect all businesses and industries that have connections to the City of Flagstaff collection system.**Objective:** Inspect all businesses and industries for pretreatment options and educate them on pollution prevention techniques.

<b>Measures:</b>	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Number of pretreatment businesses inspected.	1,237	1,387	1,400	1,400
Number of compliance samples analyzed.	4,222	10,245	3,020	3,020

**Council Priority/Goal: CUSTOMER SERVICE****Goal:** Provide informational responses to our internal and external customers.**Objective:** Communicate with customers as efficiently and effectively to answer their questions.

<b>Measures:</b>	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Contacts through calls, letters, & e-mails to customers.	3,350	4,236	4,400	4,450

<b>PERFORMANCE INDICATORS</b>	<b>CY03</b>	<b>CY04</b>	<b>CY05 EST.</b>
Number of businesses inspected for potential cross connection	1,200	1,237	1,300
Number of backflow device tests logged	1,462	1,561	1,600
Number of compliance samples analyzed	8,918	4,222	4,000
Number of pre-treatment business inspections	1,000	1,237	1,300
Percent of failed back flow tests	10%	10%	10%

<b>EXPENDITURES BY CATEGORY:</b>					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 197,944	\$ 204,516	\$ 207,590	\$ 217,616	\$ 13,100
CONTRACTUAL	52,589	252,548	182,564	95,081	(157,467)
COMMODITIES	15,406	15,457	15,457	19,457	4,000
CAPITAL	7,320	-	-	-	-
<b>TOTAL</b>	<b>\$ 273,259</b>	<b>\$ 472,521</b>	<b>\$ 405,611</b>	<b>\$ 332,154</b>	<b>\$ (140,367)</b>

<b>EXPENDITURES BY PROGRAM:</b>					
GENERAL ADMINISTRATION	\$ 107,306	\$ 299,812	\$ 220,928	\$ 150,548	\$ (149,264)
NPDES MONITORING	46,606	53,899	53,899	42,040	(11,859)
INDUSTRIAL WASTE MONITOR	77,750	86,037	86,037	124,748	38,711
HAZARDOUS WASTE	4,295	4,339	4,339	-	(4,339)
BACKFLOW X CONN. CONTROL	37,302	28,434	40,408	14,818	(13,616)
<b>TOTAL</b>	<b>\$ 273,259</b>	<b>\$ 472,521</b>	<b>\$ 405,611</b>	<b>\$ 332,154</b>	<b>\$ (140,367)</b>

<b>SOURCE OF FUNDING:</b>				
WATER AND WASTEWATER FUND				\$ 332,154
				<b>\$ 332,154</b>

**COMMENTARY:**

The Wastewater Monitoring operating budget has decreased 30% and there are no capital expenditures. Personal Services increases are due to a .50 FTE staffing addition for an Administrative Assistant. In addition, there is a 9% pay plan adjustment and increases in ASRS, health insurance, and dental insurance. Contractuals decrease is related to prior year one-time expenditure. Commodities increase is due to one-time computer and office equipment for new personnel.

**MISSION**

To provide wastewater reclamation that exceeds all federal, state and reuse requirements in a safe and cost-effective manner. To submit all required regulatory reports on time without exception. To promote the use of reclaim water for all approved uses throughout the City of Flagstaff and vicinity. To educate the public on issues related to water reclamation, water conservation, and sustainable use.

**PROGRAM DESCRIPTION**

The Rio de Flag Water Reclamation Facility processes wastewater flow from the western half of the city and reclaims water for a variety of non-potable uses. Landscape irrigation is the principal use of reclaim water but water is also used for non-potable commercial and industrial uses. Excess reclaim water is released to the Rio de Flag wash for riparian enhancement. This semi-automated treatment facility uses advanced technology to produce non-potable water that is rated as Grade A+ by the state of Arizona. The program monitors product water quality as well as downstream water quality. Staff

is also responsible for pumping the water into the citywide distribution system and maintaining the reclaim water storage facilities at Buffalo Park.

**FY 06 ACCOMPLISHMENTS**

- ✓ The Rio de Flag WRP has provided reclaimed water to SCA Tissue for the past 12 months, and is now able to treat the discharge flow from SCA.
- ✓ Provided 319 Million Gallons of reclaimed water for beneficial reuse during calendar year 2005.
- ✓ Consistently produced final effluent that met all state and federal permit requirements.

**FY 07 NEW INITIATIVES**

- Implement cost-effective asset management practices to minimize the life-cycle cost of this facility.

**PERFORMANCE MEASURES****Council Priority/Goal: PUBLIC SAFETY**

**Goal:** Provide wastewater treatment that meets or exceeds criteria for Federal, State & Water Reuse Permits

**Objective:** Production and distribution of reclaimed water that is safe for its intended use.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Number of Permit Violations	0	0	0	0

**Council Priority/Goal: PLANNING FOR GROWTH**

**Goal:** Promote and encourage use of reclaimed water through education and PR programs. Schedule tours and provide information in a timely manner.

**Objective:** Promote the use of reclaimed water where appropriate, thereby offsetting the demands for potable water.

Measures:	CY 04 Actual	CY 05 Actual	CY 06 Estimate	CY 07 Proposed
Gallons of reclaimed water produced (millions)	693	745	755	755
Gallons of reclaimed water reused (millions)	305	319	330	340

**UTILITIES****DIVISION 56****RIO DE FLAG RECLAIM PLANT****Council Priority/Goal: FISCAL HEALTH****Goal:** Maintain operations, maintenance and lab budgets within the projected amounts.**Objective:** Control our costs while maintaining service levels at existing levels

<b>Measures:</b>	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Cost/thousand gallons of reclaimed water produced		\$1.09	\$1.15	\$1.20

**Council Priority/Goal: QUALITY OF LIFE****Goal:** Respond to complaints within 24 hours.**Objective:** Minimize complaints resulting from the operation of the Rio de Flag WRP.

<b>Measures:</b>	<b>CY 04 Actual</b>	<b>CY 05 Actual</b>	<b>CY 06 Estimate</b>	<b>CY 07 Proposed</b>
Number of complaints (odors, etc.)	0	0	0	0

<b>EXPENDITURES BY CATEGORY:</b>					
	Actual Expenditures 2004-2005	Adopted Budget 2005-2006	Estimated Expenditures 2005-2006	Proposed Budget 2006-2007	Budget-Budget Variance
PERSONAL SERVICES	\$ 298,475	\$ 276,083	\$ 341,144	\$ 284,822	\$ 8,739
CONTRACTUAL	469,724	535,526	514,320	464,565	(70,961)
COMMODITIES	91,351	118,450	117,441	121,420	2,970
CAPITAL	-	-	-	25,500	25,500
<b>TOTAL</b>	<b>\$ 859,550</b>	<b>\$ 930,059</b>	<b>\$ 972,905</b>	<b>\$ 896,307</b>	<b>\$ (33,752)</b>
<b>EXPENDITURES BY PROGRAM:</b>					
GENERAL ADMINISTRATION	\$ 65,890	\$ 54,782	\$ 138,352	\$ 70,919	\$ 16,137
PLANT OPERATIONS	466,093	471,871	448,541	583,713	111,842
PLANT MAINTENANCE	125,021	164,861	165,038	189,375	24,514
LAB-PROCESS CONTROL-MONITOR	84,049	128,645	97,548	52,300	(76,345)
RECLAIMED CONNECTIONS	117,341	109,900	109,900	-	(109,900)
DIS RECOVERY RIO	1,156	-	13,526	-	-
<b>TOTAL</b>	<b>\$ 859,550</b>	<b>\$ 930,059</b>	<b>\$ 972,905</b>	<b>\$ 896,307</b>	<b>\$ (33,752)</b>
<b>SOURCE OF FUNDING:</b>					
WATER AND WASTEWATER FUND				\$ 896,307	
				<b>\$ 896,307</b>	
<b>COMMENTARY:</b>					
The Rio de Flag Treatment Plant operating budget decreased by 6% and capital expenditures total \$25,500 resulting in an overall net decrease of 4%. Personal Services increase is due to a 9% pay plan adjustment and increases in ASRS, health insurance, and dental insurance. Contractuals decrease is due to Rebates-Reclaimed H2O Connections being moved to Div 58. Commodities increase are due to miscellaneous computer equipment, office equipment and chemicals. One-time expenditures for this division are \$996 for Emergency Response Drill (Rio), \$1,250 purchase of 2 monitors for SCADA system, \$26,500 for costs involved with anticipated rate increase, and \$12,500 for purchase of Anthracite Coal for Dual Media Filters. Major capital (>\$10,000) includes \$25,500 Submersible Propeller Pump.					

